

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

SB 233 - HB 379

March 27, 2023

SUMMARY OF BILL AS AMENDED (006434): Makes changes to regulations under the *Private Protective Services Licensing and Regulatory Act*. Exempts an employer from a violation of a Class A misdemeanor for the unlawful act of hiring an individual who acts as a security guard/officer and does not hold a valid registration card issued by the Department of Commerce and Insurance (DCI) if such employer utilized a contract security company for the hiring of such a security guard/officer at an establishment that holds a license or permit to serve alcohol for on-premises consumption.

Allows an unarmed security guard/officer employed by a proprietary security organization to carry a weapon.

Exempts an employee of a restaurant or establishment providing hospitality services at a place which offers sleeping accommodations from registering with DCI if such employee's primary responsibilities do not involve the provision of security guard and patrol services.

FISCAL IMPACT OF BILL AS AMENDED:

NOT SIGNIFICANT

Assumption:

- The *Private Protective Services Licensing and Regulatory Act* requires entities that provide a security guard or patrol service on a contractual basis to register with the Department of Commerce and Insurance.
- The proposed legislation would not impact registration or regulation requirements of security guards under the Act. Fees under the Act are collected by the Board of Detection Services (Board).
- Such misdemeanor exemption is not estimated to have a significant impact on the number of caseloads in the court system.
- Allowing security officers employed by a propriety security organization to carry a weapon will not result in any significant fiscal impact.
- Specified hospitality employees already do not pay an application fee for registration under the Act; therefore, the clarification will not impact revenue under the Board's collections or revenue to such hospitality establishments.
- Pursuant to Tenn. Code Ann. § 4-29-121, all regulatory boards are required to be self-supporting over any two-year period. In FY20-21, the Board of Private Protective

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Services, Private Investigators & Polygraph, and Alarm Contractors merged to create the Board of Detection License Services.

- The Board of Detection License Services had a surplus of \$245,747 in FY21-22 and a cumulative reserve balance of \$2,996,724 on June 30, 2022.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumption:

- The proposed legislation will not significantly impact commerce or jobs in this state.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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